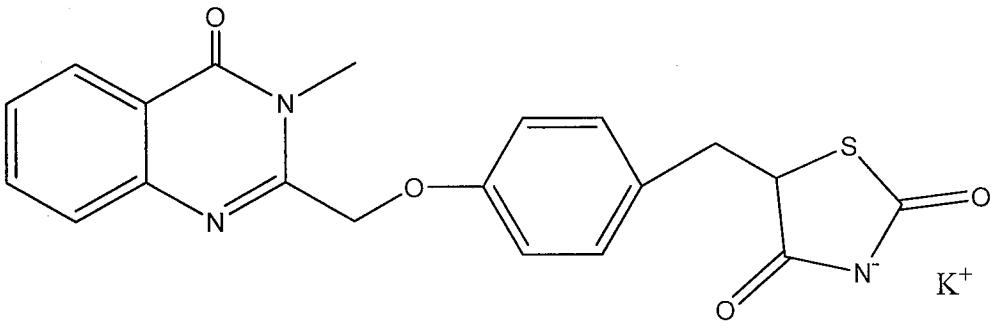
Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

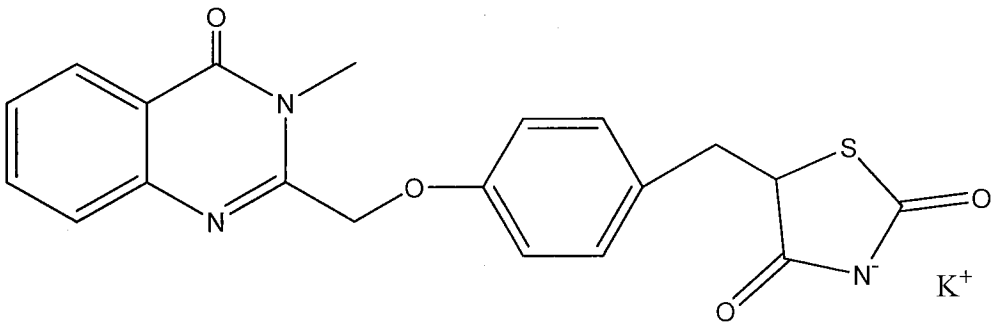
1-33. (Canceled)

34.(Previously presented) A crystalline Form of 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl-]methoxy]benzyl]thiazolidine-2,4-dione potassium salt, having the formula:



, wherein the crystalline compound is characterized by having an x-ray powder diffraction pattern comprising one or more peaks expressed in degrees 2θ that are selected from the group consisting of 6.20, 9.34, 12.16, 12.48, 18.26, 18.80, 24.02, 24.46, 26.70, 27.02, 27.48, and 30.86 ± about 0.1.

35.(Previously presented) A crystalline Form-I of 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl-]methoxy]benzyl]thiazolidine-2,4-dione potassium salt, having the formula:



, wherein the crystalline compound is characterized by having an x-ray powder diffraction pattern comprising one or more peaks expressed in degrees 2θ that are selected from the group consisting of 6.44, 7.42, 9.28, 10.76, 11.24, 16.16, 18.60, 25.06, 28.42, and 30.40 ± about 0.1.

36.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises two or more of said x-ray powder diffraction peaks.

37.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises three or more of said x-ray powder diffraction peaks.

38.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises four or more of said x-ray powder diffraction peaks.

39.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises five or more of said x-ray powder diffraction peaks.

40.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises six or more of said x-ray powder diffraction peaks.

41.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises seven or more of said x-ray powder diffraction peaks.

42.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises eight or more of said x-ray powder diffraction peaks.

43.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises nine or more of said x-ray powder diffraction peaks.

44.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises all of said x-ray powder diffraction peaks.

45.(Previously presented) The crystalline Form-I of claim 35, further including a peak at 15.06 ± 0.1.

46.(Previously presented) The crystalline Form-I of claim 35, wherein said x-ray powder diffraction is measured by using copper K α radiation.

47.(Previously presented) The crystalline Form-I of claim 35 having differential scanning calorimetry endotherms at 301.17° C and 311.82° C.

48.(Previously presented) The crystalline Form-I of claim 35 having a differential scanning calorimetry exotherm at 297.68° C.

49.(Previously presented) The crystalline Form-I of claim 35 having differential scanning calorimetry endotherms at 301.17° C and 311.82° C, and an exotherm at 297.68° C.

50.(Previously presented) The crystalline Form-I of claim 35, having an infrared absorption spectrum with one or more peaks selected from the group consisting of 503.9, 559.7, 609.7, 658.8, 609.7, 701.3, 772.9, 809.7, 1035.7, 1058.4, 1271.9, 1329.7, 1378.5, 1426, 1477.6, 1511.8, 1591.5, 1675.4, 1861.9, 3039.1, and 3442.9 cm^{-1}.

51.(Previously presented) The crystalline Form-I of claim 35, wherein said compound comprises all of said x-ray powder diffraction peaks, and comprises

differential scanning calorimetry endotherms at 301.17° C and 311.82° C and an exotherm at 297.68° C, and

an infrared absorption spectrum including peaks at 503.9, 559.7, 609.7, 658.8, 609.7, 701.3, 772.9, 809.7, 1035.7, 1058.4, 1271.9, 1329.7, 1378.5, 1426, 1477.6, 1511.8, 1591.5, 1675.4, 1861.9, 3039.1, and 3442.9 cm^{-1}.

52.(Previously presented) The crystalline Form-I of claim 35, wherein said crystalline Form-I is substantially free of other amorphous forms.

53.(Previously presented) The crystalline Form-I of claim 35, wherein said crystalline Form-I is substantially free of peak angles that correspond to other polymorphic forms.

54.(Previously presented) The crystalline Form-I of clam 35, wherein said crystalline Form-I is substantially free of peak angles that include 6.20, 12.16, 12.48, 18.26, 24.02, 24.46, 26.70, 27.02, 27.48, and 30.86.

55.(Previously presented) The crystalline Form-I of claim 35, which is substantially phase pure.

56.(Previously presented) A pharmaceutical composition comprising the crystalline Form-I of claim 35 and a pharmaceutically acceptable carrier.

57.(Previously presented) A method of treating diabetes or diabetic complications, comprising administering the composition of claim 56 to a patient.

58.(**Currently Amended**) A process for preparing the crystalline Form-I of claim 35 comprising:

(i) dissolving 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]methoxy]benzyl]thiazolidine-2,4-dione in an organic solvent, and heating to a temperature of about 60-75° C;

(ii) at a temperature of 40-55° C, adding potassium tertiary butoxide dissolved in an organic solvent to the solution of step (i);

(iii) stirring the reaction mixture at a temperature of about 20-90° C;

~~(iii)~~ (iv) cooling the reaction mixture to about room temperature; and

~~(iv)~~ (v) recovering the crystalline form of 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]methoxy]benzyl]thiazolidine-2,4-dione potassium salt.

59.(Previously presented) The process of claim 58, wherein the organic solvent of step (i) is selected from methanol, a mixture of methanol and xylene, a mixture of acetone and xylene, ethanol, isopropanol, ethyl acetate, diethyl ketone, and methyl isobutyl ketone.

60.(Previously presented) The process of claim 58, wherein the organic solvent of step (i) is a mixture of methanol and xylene.

61.(**Currently Amended**) A process for preparing the crystalline Form-I of claim 35 comprising:

(i) dissolving 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]methoxy]benzyl]thiazolidine-2,4-dione in an organic solvent, at room temperature;

(ii) at about room temperature, adding potassium tertiary butoxide dissolved in an organic solvent to the solution of step (i);

(iii) stirring the reaction mixture at about room temperature; and

~~(iii)~~ (iv) recovering the crystalline form of 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]meth- oxy]benzyl]thiazolidine-2,4-dione potassium salt.

62.(Previously presented) The process of claim 61, wherein the organic solvent of step (i) is selected from dimethylformamide, 1,4-dioxane, or a mixture of 1,4-dioxane and xylene.

63.(Previously presented) A process for preparing the crystalline Form-I of claim 35 comprising:

(i) dissolving 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]methoxy]benzyl]thiazolidine-2,4-dione potassium salt in dimethylsulfoxide and heating to a temperature about 50-80° C;

(ii) storing the solution at room temperature for about 1-8 weeks; and

(iii) recovering the crystalline form of 5-[4-[[3-methyl-4-oxo-3,4-dihydroquinazolin-2-yl]- methoxy]benzyl]thiazolidine-2,4-dione potassium salt.